

AMENDED IN SENATE MAY 28, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 368

Introduced by Assembly Member Skinner

February 23, 2009

An act to amend Section 6804.1 of the Public Resources Code, relating to state lands.

LEGISLATIVE COUNSEL'S DIGEST

AB 368, as amended, Skinner. State lands: oil, gas, and mineral leases.

Existing law requires the State Lands Commission to regulate oil, gas, and mineral leases on public lands. Existing law authorizes a lessee to make and file with the commission a quitclaim or relinquishment of all rights under a lease or a portion of a lease comprising a 10-acre parcel or multiple parcels in a compact form, or of a separate or distinct zone or geological horizon or portion underlying a 10-acre parcel or multiple parcels. The quitclaim or relinquishment is effective as of the date of filing and the fulfilling of certain conditions.

This bill would delete provisions referring to zones and geographical horizons of a parcel *and* would instead refer to land. The bill would make the quitclaim or relinquishment effective upon the completion of ~~the any required~~ abandonment of all facilities and ~~the any required~~ reclamation of the lease premises as approved by the commission. Commission approval, *contingent upon any other agreement between the lessee and the commission*, would be required for the lessee to be released from all obligations accruing under the lease with respect to the lands.

Existing law prohibits the quitclaim or relinquishment from releasing the lessee or the lessee's surety from liability for the breach of an obligation of the lease with respect to which the lease is in default at the time of the filing of the quitclaim or relinquishment.

This bill instead would prohibit the quitclaim or relinquishment from releasing the lessee or the lessee's surety from liability for the breach of an obligation of the lease if the lessee is in default at the time of the approval, rather than the filing, of the quitclaim or relinquishment.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6804.1 of the Public Resources Code is
2 amended to read:
3 6804.1. Notwithstanding any other provision of this code to
4 the contrary, a lessee may at any time make and file with the
5 commission a written quitclaim or relinquishment of all rights
6 under a lease or a portion of a lease of land. The quitclaim or
7 relinquishment shall be effective upon the completion of ~~the any~~
8 *required* abandonment of all facilities and ~~the any required~~
9 reclamation of the lease premises as approved by the commission,
10 subject to the continued obligation of the lessee and ~~his or her the~~
11 *lessee's* surety to make payment of all rentals and royalties that
12 have accrued. Upon commission approval, *and contingent upon*
13 *any other agreement between the lessee and the commission*, the
14 lessee shall be released from all obligations accruing under the
15 lease with respect to the lands quitclaimed or relinquished, but the
16 quitclaim or relinquishment shall not release the lessee or ~~his or~~
17 ~~her the~~ *lessee's* surety from liability for the breach of an obligation
18 of the lease with respect to which the lessee is in default at the
19 time of the ~~filing~~ *approval* of the quitclaim or relinquishment.

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